



19 February 2003

Ms Lori M Henderson
Moldflow Corporation
430 Boston Post Road
Wayland
MA 01778-1824
U S A

WITHOUT PREJUDICE SAVE AS TO COSTS

Dear Ms Henderson
PS Exchange - Online Data Translation

Thank you for your 8 January 2003 letter on the above matter.

We note your sentiments that you believe your patent application covers our PS-Exchange online data translation system. From your letter it would seem as though there is some misunderstanding as to the contents of our earlier letter to you. It is a fundamental point of UK and European patent law that if an item has been publicly disclosed, then it cannot be validly covered by a third party patent/patent application. We have given you evidence that our idea was developed before your patent application was filed and since we do not believe we have significantly changed our system since that time, we do not believe that your patents/patent applications can validly cover our system. We believe that you only have applications at this time and therefore, you do not yet have rights that are enforceable.

We note your offer that you would be willing to undertake an analysis of our products so that you can assess whether your claims are indeed relevant. We believe that you should already be familiar with our PS-Exchange product as our logs show that Moldflow staff have downloaded the software from Delcam's website for evaluation purposes on several occasions starting from before your patent application priority date (28th April 2000). The mechanism of paying for translations on a per use internet voucher system has been publicly available on our Website since early April 2002. We feel that the translations of our PS_Exchange system clearly equate to "the subset of a software application" specified in your claim and that the vouchers issued by our system based on the calculation of an identifier of the file to be translated provide the requisite "access key" of your claim.

DELCAM Plc

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If you need to refresh your understanding you are welcome to download the software and make use of the internet voucher system at any time. However, you will appreciate that we do not wish to disclose the inner workings of our products, but we would not be averse to a third party performing this analysis at the expense of Moldflow. If this is of interest, please do not hesitate to contact us. It may be suitable for our patent attorneys to undertake this analysis although you are likely to prefer a truly independent party. It also occurs to us that you allege we require a licence from you although you request details of our product so you can determine this; if you require details of our product can we infer you do not know whether we fall within the scope of your applications?

We look forward to receiving your response.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'EBLL'.

E B Lambourne
Technical Director
Delcam plc